

## Doing the Right Thing: Embedding Business Ethics

**Catherine Vaughan**

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CPD CODE: 2022-0333



# Welcome & Introduction



- Thank you for registering
- Questions
  - Please use the question box on the right of your screen to send the questions for our speaker
- Today's session will be recorded and will be on our website later today
- The CPD code is noted below and will be sent out directly after this session has concluded

CPD CODE: 2022-0333



WEBINAR

## Central Bank of Ireland: Speaking Engagement



21 February | TBC

Speaker:  
**Gerry Cross**  
Central Bank of Ireland



[compliance.ie](https://www.compliance.ie)

## Central Bank of Ireland: Speaking Engagement – FREE FOR MEMBERS

21<sup>st</sup> February @ 1pm  
CPD TBC

# Doing the Right Thing: Embedding Business Ethics

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# Association of Compliance Officers in Ireland

Embedding Business Ethics

**9 February 2022**

# Agenda

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1. We all have a “Code”
2. Embedding business ethics
3. Detecting breaches
4. Consequences of non-compliance
5. Rewarding good behaviours
6. Closing thoughts



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Compliance Leader, EY

# We all have a “Code”

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- Code of Conduct, Values Statement, Ethical frameworks ... whatever we call it, most organisations have a written commitment to embedding ethical behaviour
- But who is the Code designed for?
  - Stakeholders?
  - Clients/Customers?
  - Your people?
  - All of the above?
- And why are you talking to these groups?
  - Making a promise?
  - Creating an expectation?
  - Laying out the rules?
- Having a Code is one thing ... embedding business ethics is another

# Embedding the Code

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- Ethical frameworks place expectations on employee behaviour that supports a commitment to stakeholders
- Employees cannot respond to this ask alone
- It is the duty of leadership to set the “Tone at the Top”
  - In words and deeds
- Embedding ethics in business is akin to setting standards at home – “do unto others...”
- Embedding ethics in business starts with education
- Education is achieved through communication
- If you don’t explain to people how you want them to behave, how will they know?

# Embedding the Code – supporting the business to do the right thing

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- Policies and procedures should be purposeful, enabling people to do the right thing
- Policies should be meaningful and relevant to the reader – they should be easy to read
- It is not the purpose of policy or the business of leaders to catch their people out
- Providing consultation support and resource is essential

# Detecting breaches of the Code

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- Policies without teeth are meaningless – if they are important to set, they're important to monitor
- Monitoring is typically performed by the 2<sup>nd</sup> line, providing a management assurance function. The purpose:
  - To detect system weaknesses
  - To identify instances of non-compliance
  - To correct errors and identify consequential reporting obligations
- Example monitoring: Detecting Insider Trading
  - Comparative data between time records and investment records
  - Centralised data analysis to identify instances of potential non-compliance
  - Review, conclusion, corrective action and reporting
- Data is a key detection enabler but data points are essential

# Detecting breaches of the Code

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- Hotlines and reporting – Internal and Externally sourced
- Investigations must be thorough, independent, fair and timely
- Experts should be assigned to reviewing matters reported

# Consequences of non-compliance

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- Employees must be aware of the monitoring
- Consequences should be set and visible
- Consistent application of consequences is vital
- Independent review of consequence management / decision making is key
  
- Examples of consequences:
  - Fines / Penalties / Loss of earnings
  - Warning letters
  - Re-education
  - Impact on promotion
  - Termination

# Rewarding good behaviours

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- It's not all bad news so why do we focus on it?
- Reward and celebrate instances of positive behaviours
  - Use the penalty pot to fund behaviour bonuses?
- Tell stories – share with your people the impact doing the right thing has on your business:
  - Winning work
  - Retaining people
  - Higher people engagement scores
  - Market growth
  - Positive regulatory/stakeholder reputation

# Closing thoughts

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- Ethical frameworks are vital to success
- Behaviours are demonstrated when by people lead by example
- Behaviours are supported by policy and process
- Detecting and tackling non-compliance is critical if people are to believe the framework has teeth
- Consequences must exist
- It's not all bad news

# Questions & Answers

# Thank You For Attending Doing the Right Thing: Embedding Business Ethics

A recording of this webinar and  
the CPD code will be available on  
our website later today.

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